

2000-05B

CONTINGENT APPROPRIATIONS

TO: Selectmen, Town Clerks, Finance Committees, Assessors, Regional School Superintendents, Town Counsels

FROM: Joseph J. Chessey, Jr., Deputy Commissioner
Division of Local Services

DATE: May 2000

SUBJECT: Deadline for Holding Proposition 2½ Elections for Contingent Appropriations

This *Bulletin* is to advise town officials of recent legislation that affects the deadline for holding an election on a Proposition 2½ referendum question intended to fund a contingent appropriation. Ch. 70 of the Acts of 2000.

A contingent appropriation is an appropriation from the tax levy, an available fund or borrowing that is voted by town meeting expressly subject to or contingent upon the subsequent approval of a Proposition 2½ override or exclusion question. By law, a contingent appropriation is not effective unless the voters approve the related referendum question at an election held by a specified deadline. G.L. Ch. 59 §21C(m).

Election Deadline

Towns will now have until September 15 to obtain voter approval of an override or exclusion question for a contingent appropriation made at an annual town meeting. A question

(over)

for a contingent appropriation made at any other town meeting must be approved within 90 days after the meeting dissolves. The question may be presented to the voters at more than one election, but if not approved by the applicable deadline, the appropriation is null and void. Previously, a contingent appropriation became null and void if the related question was not approved at a referendum election held within 45 days of the dissolution of the town meeting at which the appropriation was voted or, alternatively, in the case of an unsuccessful referendum at such a timely scheduled election, if not approved within 90 days of the dissolution of the meeting.

Tax Rate Approval

If contingent appropriations are voted from the tax levy, the Department of Revenue must now wait until the related override or exclusion question, or the deadline for holding an election, has passed, whichever occurs first, to set the tax rate. Town officials should be aware, therefore, of the potential delay in tax billing that may result whenever contingent appropriations are voted at special town meetings, particularly those held in the fall.

Effective Date

The new deadline applies to contingent appropriations voted:

- (1) on or after May 20, 2000, which is the effective date of the amendment,
- (2) at a town meeting closing on or after April 5, 2000, *i.e.*, where the previous 45 day election deadline has not expired as of May 20, 2000 or
- (3) at a town meeting closing on or after February 20, 2000 if the appropriation was the subject of an unsuccessful referendum election held within 45 days of the close of that meeting, *i.e.*, where the previous 90 day election deadline has not expired as of May 20, 2000.